

CREDIT ABUSE POP QUIZ
Test Your Consumer Knowledge

1. TRUE or FALSE: The ability to obtain a job, car, and/or home loan critically depends on your credit history and score.
2. What does FICO stand for?
 - a) Federal Insurance Credit Organization
 - b) Fair Isaac Corporation
 - c) Financial Income Credit Office
 - d) Fair Interest Consumer Organization
3. What is FICO?
 - a) it keeps a report card of your late payments and debt
 - b) it punishes consumers for going over their credit limit
 - c) a three-digit number that determines the interest rate you will pay on your credit cards, car loans and home mortgages or whether you will be able to get a cell phone or have your application for a rental apartment accepted
 - d) it offers credit cards
4. What is the biggest factor in determining your credit rating with lenders?
 - a) income level
 - b) home ownership
 - c) amount of debt
 - d) FICO score
5. The average amount of time it takes to "clean up" a negative credit history is:
 - a) 2-3 years
 - b) 12 years
 - c) 7 years
 - d) 10 years
6. TRUE or FALSE: A higher FICO score puts you in line for a lower interest rate on a loan or credit card.
7. TRUE or FALSE: High school students are considered to be one of the "easier" targets by credit card companies because they know they are uninformed and ready to spend.

8. TRUE or FALSE: The only way to avoid credit card debt is to never use your credit card.
9. TRUE or FALSE: You will never have to pay interest on your credit card if you pay your balance each month.
10. Always use cash, not credit cards for:
 - a) emergencies, food, and movie tickets
 - b) food, movie tickets and anything less than \$10.00
 - c) internet shopping, emergencies and gas
 - d) gas, anything less than \$50.00 and movie tickets
11. If you charge \$5,000 on a credit card and make the minimum monthly payment of 2%, how long will it take you to pay off the balance?
 - a) 6 months
 - b) 1 year
 - c) 7 years
 - d) 46 years
12. By the end of a college student's freshman year he/she will have accumulated an average of _____ in credit card debt alone.
 - a) \$1,500.00
 - b) \$500.00 - \$800.00
 - c) \$500.00
 - d) \$50.00
13. What will you owe if you pay your credit card balance after the due date?
 - a) a late penalty
 - b) interest on your entire balance
 - c) both of the above
 - d) neither of the above

You might like to check out these web sites:

- 1) www.myfico.com
- 2) http://econ4u.org/econ4u_topic.cfm
- 3) <http://www.casb.uscourts.gov/html/care/index.htm>